BENJAMIN J. CAYETANO
GOVERNOR

June 12, 2001

EXECUTIVE MEMORANDUM   MEMO NO. 01-06

TO: All Department Heads

SUBJECT: Fiscal Year 2002 Budget Execution Policies and Instructions

As we begin to implement the provisions and appropriations authorized for FY 02 and the FB 2002-03, we must continue to be mindful of the tone of fiscal restraint which has, of necessity, been our approach to budget implementation and preparation over the past few years.

Based on current revenue and expenditure projections, no general fund restrictions will be imposed at this time. However, continuation of this policy will be subject to actual FY 01 tax and non-tax revenue collections and future Council on Revenues projections.

Exhibit 1 provides fund and position allocation ceilings approved for your agency for FY 02, which consist of adjusted authorizations available from H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, and your agency's FY 02 allocation for collective bargaining.

In lieu of requiring individual approvals, departments will be asked to prepare annual plans of expenditure for vacancy staffing, out-of-state travel, and major purchases, to encourage responsible fiscal planning and expenditure accountability.

Attachments A and B contain executive expenditure policies and guidelines, which provide the most reasonable approach to effectuating legislative intent, given the context of numerous competing needs in FY 02. It is expected that you and your program managers will carefully monitor all your expenditures throughout the fiscal year and review your program and financial requirements relative to authorized allocations and the fiscal condition of the State. It is expected that you will exercise fiscal responsibility in the spirit of this memorandum even where no specific policies are provided.

Your cooperation in this endeavor is appreciated. Any questions regarding specific policies and instructions should be directed to the Department of Budget and Finance.

BENJAMIN J. CAYETANO

Attachments A, B, and C
Exhibit 1
Forms A, B, and C